

**DATES:** *Effective date:* November 30, 2016.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on November 22, 2016, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Express, Priority Mail, & First-Class Package Service Contract 13 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2017-22, CP2017-42.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

[FR Doc. 2016-28791 Filed 11-29-16; 8:45 am]

**BILLING CODE 7710-12-P**

## POSTAL SERVICE

### Product Change—Priority Mail and First-Class Package Service Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Effective date:* December 30, 2016.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on November 22, 2016, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail & First-Class Package Service Contract 37 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2017-25, CP2017-45.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79386; File No. SR-BatsBYX-2016-35]

### Self-Regulatory Organizations; Bats BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Make Ministerial and Corrective Changes to Rules 11.9, 11.13, 11.16, 11.22, and 11.27

November 23, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 16, 2016, Bats BYX Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange filed a proposal to make ministerial and corrective changes to Exchange Rules 11.9(a)(2), 11.13(b), 11.16(g)(4), 11.22(f), and 11.27(a)(7)(A)(i)2.

The text of the proposed rule change is available at the Exchange's Web site at [www.batstrading.com](http://www.batstrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of

the most significant parts of such statements.

(A) *Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

##### 1. Purpose

The Exchange proposes to make ministerial and corrective changes to Exchange Rules 11.9(a)(2), 11.13(b), 11.16(g)(4), 11.22(f), and 11.27(a)(7)(A)(i)2. First, the exchange proposes to harmonize the description of BYX Market Orders under Exchange Rule 11.9(a)(2) with the description of an identical order type on the Exchange's affiliate, Bats BZX Exchange, Inc. ("BZX"). Exchange Rule 11.9(a)(2) currently states that a BYX Market Order that is designated as BYX Only<sup>5</sup> with a time-in-force of Day<sup>6</sup> will be cancelled if, when reaching the Exchange, it cannot be executed on the System<sup>7</sup> in accordance with Exchange Rule 11.13(a)(4) unless the reason that such BYX Market Order cannot be executed is because it is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, in which case such order will be posted by the System to the BYX Book, and priced at the Upper (Lower) Price Band, and re-priced as set forth in Rule 11.18(e)(5)(B). This mirrors the description of BZX Market Orders under BZX Rule 11.9(a)(2), but for the BZX rule stating that the BZX Market Order in the circumstance described in the text would be posted by the System to the BZX Book, and displayed at the Upper (Lower) Price Band. Therefore, in order to make the description of market orders identical under both rules, the Exchange proposes to replace the phrase "and priced" with the term "displayed."<sup>8</sup>

Second, the Exchange proposed to amend Rule 11.13(b) to correct an incorrect cross reference. Exchange Rule 11.13(b) states that depending on the instructions set by the User<sup>9</sup> when the incoming order was originally entered, if a market or marketable limit order has not been executed in its entirety pursuant to Exchange Rule 11.13(a) above, the order shall be eligible for additional processing under one or more of the routing options listed under paragraph (a)(3) of Rule 11.13. The reference to paragraph (a)(3) of Rule 11.13 is incorrect as the routing options

<sup>5</sup> See Exchange Rule 11.9(c)(4).

<sup>6</sup> See Exchange Rule 11.9(b)(2).

<sup>7</sup> See Exchange Rule 1.5(aa).

<sup>8</sup> See Securities Exchange Act Release No. 73875 (December 18, 2014), 79 FR 77552 (December 24, 2014) (SR-BATS-2014-068).

<sup>9</sup> See Exchange Rule 1.5(cc).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

are listing under paragraph (b)(3) of Rule 11.13. Therefore, the Exchange proposes to replace reference to paragraph (a)(3) with paragraph (b)(3).

Third, the Exchange proposes to amend Rule 11.16(g)(4) to delete an unnecessary cross reference. Exchange Rule 11.16(a)(4) states that “[t]he pass-through of any compensation to a Member in accordance with this subparagraph (g) is unrelated to any other claims for compensation that are made in accordance with, and subject to the limits of, subparagraph (d) of this Rule 11.16.” The Exchange now proposes to delete reference to “11.16” as a specific reference to the rule is not integral nor necessary to the meaning or application of Rule 11.16 generally.<sup>10</sup>

Fourth, the Exchange proposes to amend Rule 11.22(f) to delete a description of the Latency Monitoring data product, which the Exchange ceased to offer in May 2015. The Exchange determined that the customer demand at that time did not warrant the infrastructure and ongoing maintenance expense required to support the product.

Lastly, the Exchange proposes to amend Rule 11.27(a)(7)(A)(i)2. to correct a typographical error by replacing the phrase “one of more” with “one or more”.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>11</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>12</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. The Exchange believes the proposed changes promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system because they seek to correct an incorrect cross-reference and typographical error, harmonize identical rules with the Exchange’s affiliates, as well as eliminate a reference to a market data product that is no longer provided. The Exchange notes the changes to Exchange Rules 11.9(a)(2), 11.13(b), 11.16(a)(4), and 11.27(a)(7)(A)(i)2. are ministerial and do not alter the

applications of each rule. In addition, the deletion of references to the Latency Monitoring Data product removes references to a product the Exchange no longer provides and that the Exchange is not required by any rule or regulation to offer. As such, the proposed amendments would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

### (B) Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. On the contrary, the proposed rule change will have no impact on competition as it is simply makes ministerial and corrective changes while not altering the meaning or application of each rule.

### (C) Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (A) Significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>13</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>14</sup> the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the

Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Comments may be submitted by any of the following methods:

### Electronic Comments

- Use the Commission’s Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BatsBYX-2016-35 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File No. SR-BatsBYX-2016-35. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission’s Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only

<sup>10</sup> Removal of the rule reference would also harmonize the rule language with similar rule of the Exchange’s affiliates, Bats EDGA Exchange, Inc. and Bats EDGX Exchange, Inc. SR-Bats-EDGX-2016-65 and SR-BatsEDGA-2016-28.

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4.

information that you wish to make available publicly. All submissions should refer to File No. SR-BatsBYX-2016-35 and should be submitted on or before December 21, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-28776 Filed 11-29-16; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79391; File No. SR-NSCC-2016-803]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Advance Notice To Accelerate Its Trade Guaranty, Add New Clearing Fund Components, Enhance Its Intraday Risk Management, Provide for Loss Allocation of "Off-the-Market Transactions," and Make Other Changes

November 23, 2016.

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")<sup>1</sup> and Rule 19b-4(n)(1)(i) under the Securities Exchange Act of 1934 ("Act"),<sup>2</sup> notice is hereby given that on October 25, 2016, National Securities Clearing Corporation ("NSCC" or the "Corporation") filed with the Securities and Exchange Commission ("Commission") the advance notice SR-NSCC-2016-803 ("Advance Notice") as described in Items I, II and III below, which Items have been prepared primarily by the clearing agency.<sup>3</sup> The Commission is publishing this notice to solicit comments on the Advance Notice from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Advance Notice

This Advance Notice consists of amendments to NSCC's Rules &

Procedures ("Rules")<sup>4</sup> in order to (i) accelerate NSCC's trade guaranty from midnight of one day after trade date ("T+1") to the point of trade comparison and validation for bilateral submissions or to the point of trade validation for locked-in submissions, (ii) add three new components to the Clearing Fund formula and eliminate the current Specified Activity charge from the Clearing Fund formula, (iii) amend Procedure II to remove language that permits NSCC to delay processing and reporting for certain index receipt transactions, (iv) enhance NSCC's current intraday mark-to-market margin process and clarify the circumstances and criteria for its intraday risk management monitoring and intraday collections of mark-to-market margin, (v) introduce a new loss allocation provision for any trades that fall within the proposed definition of "Off-the-Market Transactions" and (vi) make a technical change to Procedure XV to remove the reference to ID Net Subscribers, as described below.

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Advance Notice

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the Advance Notice and discussed any comments it received on the Advance Notice. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A and B below, of the most significant aspects of such statements.

##### (A) Clearing Agency's Statement on Comments on the Advance Notice Received From Members, Participants, or Others

NSCC has not received any written comments relating to this proposed rule change. NSCC will notify the Commission of any written comments it receives.

##### (B) Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

###### Description of Change

###### (i) Accelerate the NSCC Trade Guaranty

Pursuant to Addendum K of the Rules, NSCC currently guarantees the completion of trades that are cleared and settled through NSCC's Continuous Net Settlement ("CNS")<sup>5</sup> system ("CNS

trades") and through its Balance Order Accounting Operation<sup>6</sup> ("Balance Order trades") that have reached the later of midnight of T+1 or midnight of the day they are reported to Members.<sup>7</sup> NSCC proposes to amend its Rules in order to guarantee the completion of CNS trades and Balance Order trades upon comparison and validation for bilateral submissions to NSCC or upon validation for locked-in submissions to NSCC. Validation refers to the process whereby NSCC validates a locked-in trade, or compares and validates a bilateral trade, to confirm such trade has sufficient and correct information for clearance and settlement processing. For purposes of this description in the proposed rule change, the process of comparing and validating bilateral submissions and the process for validating locked-in submissions are collectively referred to as "trade validation."

NSCC has previously shortened the time at which its trade guaranty applied to trades in response to processing developments and risk management considerations and to follow industry settlement cycles.<sup>8</sup> Since implementation of the current trade guaranty policy, the marketplace has experienced significant change. The proposed accelerated trade guaranty and related proposed changes described herein would benefit the industry by mitigating counterparty risk and enhancing counterparties' ability to assess that risk by having NSCC become the central counterparty to CNS trades and by applying the trade guaranty to Balance Order trades at an earlier point in the settlement cycle.

The transfer of counterparty credit risk from Members to NSCC at an earlier point in the settlement cycle facilitates a shortened holding period of bilateral credit risk for counterparties by transferring the obligation onto NSCC, which is better equipped to manage that counterparty credit risk, including potential systemic impact, compared to the counterparties themselves.

<sup>6</sup> The Balance Order Accounting Operation is described in Rule 5 and Procedure V. NSCC does not become a counterparty to Balance Order trades, but it does provide a trade guaranty to the receive and deliver parties that remains effective through close of business on the originally scheduled settlement date.

<sup>7</sup> Today, shortened process trades, such as same-day and next-day settling trades, are already guaranteed upon comparison or trade recording processing.

<sup>8</sup> See Securities Exchange Act Release Nos. 44648 (August 2, 2001), 66 FR 42245 (August 10, 2001) (SR-NSCC-2001-11); 35442 (March 3, 1995), 60 FR 13197 (March 10, 1995) (SR-NSCC-95-02); 35807 (June 5, 1995), 60 FR 31177 (June 13, 1995) (SR-NSCC-95-03); and 27192 (August 29, 1989), 54 FR 37010 (approving SR-NSCC-87-04, SR-MCC-87-03, and SR-SCCP-87-03 until December 31, 1990).

<sup>15</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 12 U.S.C. 5465(e)(1).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> On October 25, 2016, NSCC filed this Advance Notice as a proposed rule change (SR-NSCC-2016-005) with the Commission pursuant to Section 19(b)(1) of the Act, 15 U.S.C. 78s(b)(1) and Rule 19b-4, 17 CFR 240.19b-4. A copy of the proposed rule change is available at <http://www.dtcc.com/legal/sec-rule-filings.aspx>.

<sup>4</sup> Capitalized terms not defined herein are defined in the Rules, available at [http://dtcc.com/-/media/Files/Downloads/legal/rules/nscc\\_rules.pdf](http://dtcc.com/-/media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>5</sup> CNS and its operation are described in Rule 11 and Procedure VII.